

PSMC Conference, San Diego, CA, October 27-30, 2003



General Session Meeting Minutes

Tuesday, October 28th

Sam Merritt opened the meeting with introductions and administrative remarks. Ron Froman was asked to fill in for the Industry Chairman who was unable to attend the conference. The Executive Steering Committee Report was given.

- The tentative dates and locations for the next meetings are:
 - Executive Steering Committee - February 25-26, 2004 in Dallas, TX
 - General Session Meeting - week of April 18th 2004 in Orlando, FL.
- The Chairmen explained that the format for this conference had been changed due to survey suggestions from the previous conference. Some attendees wanted to participate in numerous subcommittee meetings rather than have to pick & choose from those convening at the same time. Consequently, the format for this conference will allow that. We have also tried to pick up the pace and shorten the duration of the conference.
- The Defense Standardization Program Office (DSPO) has received and responded to the official letter from the Defense Logistics Agency (DLA) requesting relief from Parts Management Program support. This issue, discussed in length at the previous conference, received visibility at the Assistant Deputy Under Secretary of Defense (Logistics Plans & Programs) Office level. Sam Merritt relayed to the group that Donna McMurry would be providing status on this issue later in the agenda.
- Subcommittee meetings and agendas were announced. The Charter, Marketing, and MPCASS subcommittees will be ad-hoc.

Jamie Gluza presented the Survey Results from the May Conference. All survey participants rated the conference as beneficial to them. Notable mention was received on the informative presentations, relevant discussions, and common interests/issues expressed through group networking. Open forum discussion on the survey comments and recommendations resulted in the following suggestions:

- In order to provide subcommittee continuity in the absence of a subcommittee chairman, each subcommittee should have a designated co-chair for back up. **Open action item**
- Have minutes from the previous meeting distributed with the upcoming meeting's announcement for participants to review. This will be done in the future.
- Set "goals" and "timeframes" for initiatives/actions items. The PSMC does not have any routine tasks that could be tracked on a regular basis (as in an Industry group that reviews standards on a regular basis). Each subcommittee does set it's own action items/goals and projected completion dates appropriate to the project it is pursuing. At the current time, the committee does not plan to initiate any "official" tracking system, but will

continue to rely upon Chairs to follow up as necessary and provide status and accomplishments at subsequent meetings. This will be documented in the minutes.

Mike Jones had the action to follow-up on his previous presentation on the status of the Military Parts Control Advisory Group's (MPCAG) Government Furnished Baseline (GFB) – specifically the electronic GFB. Mike reported that since taking the electronic GFB off line a year ago, only four contractors have requested it – three of which were only to meet contractual requirements. The original intent of the GFB- to provide a common list of approved parts for use across military platforms has become difficult and cost intensive to maintain. This is due to rapidly changing technology (electronics) and acquisition reform initiatives that no longer require contractors to submit parts to the MPCAGs for approval. Again, the usefulness of the GFB as it is structured today was discussed. DSCC currently points customers to their Specification Finder tool for useful and up to date part information. (DSCP is currently in the process of updating the mechanical GFB.) At this point no definitive decision has been made as to what to do with the GFB. **Action Item:** Mike Jones to continue to address the GFB issue with DLA DSPO.

Presentations: All presentations are available for viewing at www.dscc.dla.mil/PSMC

“DLA’s DMSMS Center of Excellence (COE) Effort” (Karta Technologies, San Antonio)

“GEM & AME” (SPAWAR Systems, San Diego)

“Long Term Storage” (White Sands Missile Range)

“DMS 101 – A Comparison of Obsolescence Solutions” (Lansdale Semiconductor)

Donna McMurry provided status on the DSPO's response regarding DLA's request for relief from Parts Management Program support. The DSPO stated that the Parts Management Program is essential to restraining the growth of the logistics footprint, a major aim of the Future Logistics Enterprise and therefore could not approve DLA's request for relief. The issue was elevated to the Assistant Deputy Under Secretary of Defense (Logistics Plans & Programs) who expressed support for retaining and improving the Parts Management Program. The complete DSPO response may be viewed in the DSPO letter dated 23 Oct 2003 attached/on the PSMC website.

DMSMS Subcommittee Meeting Minutes

(Joe Hartline, Chairman)

The DMSMS Subcommittee Chairman had an unexpected emergency, which prevented him from attending the conference; therefore, the DMSMS Subcommittee meeting was cancelled.

Tom Rowley reported on his previous DMSMS Subcommittee action item. He queried the Federal Acquisition Regulations (FAR) to find out if the government can use restricted/proprietary data to address DMS issues. The answer is no. At present there is no discussion of DMS/obsolescence in the FAR, or use of restricted/proprietary data to resolve

DMS issues. There are clauses providing government rights to data. If government funds are used for system development, then the government has unlimited rights to that data. If the contractor develops a system on its own dime, then the government has no rights to data unless negotiated and paid for. Tom took an additional **action item** to check with John Becker (OSD) to see if there are any ongoing initiatives to address DMS/obsolescence issues in the FAR.

It was determined by the group that subcommittee back-up chairs would be identified before the close of this general session meeting.

Wednesday, October 29th

Sam Merritt reconvened the meeting and proceeded with the agenda.

Presentation:

“Reducing the Logistics Footprint” (Defense Standardization Program Office)

An open forum session following the previous presentation led to discussion on the following issues:

- Reducing the Logistics Footprint is not just less parts, but also less infrastructure to support and less transport. It must be adequate, streamlined, efficient, and effective. Logistics must be responsive and deployable.
- The PSMC has the opportunity to be a key shaper in reengineering parts management. We need to show how “not” putting parts management on contract increases the logistics footprint. Need to “sell” the concept of how parts management supports current DoD goals. (i.e., PM articles) Need support from DSPO/OSD.
- Tom Rowley raised the issue that multiple suppliers with multiple supply chains is not reducing logistic footprints. How do we integrate multiple supply chains, both between industry and government? (i.e., JSF program)
- Suppliers partner with other suppliers, but not with government? The Supplier who has the logistics contract has no requirement to partner with DLA. Therefore, who pays the penalty if DLA does not perform to requirements?
- Kelvin DeWinter raised the issue that acquisition laws and contract language do not allow contractors to cross part inventory across their programs (i.e., same exact part used on three different contracts in-house, must be kept in three separate contract specific part bins.) Contracts take precedence over policies. (You have reduced the logistics footprint to a bunch of smaller logistics footprints that are larger in sum than the previous.) Standard canned “requirements” are lacking. What is contract language and impediment that is causing this to happen? Kelvin took an **action item** to bring in examples of specific contract language. Donna McMurphy will check to see if anything is being addressed at high DoD levels.
- Every company now trying to standardize within itself, but we have lost DoD standardization.

Parts Management Transformation (PMT) Subcommittee Meeting Minutes

(Ron Froman, Chairman)

Ron Froman opened the session with an overview of Performance Based Logistics (PBL). He reviewed the mission statement that was developed at the last meeting. It was decided to revise the mission statement to read: Develop a Parts Management process that will support weapon system readiness and reduce the overall “logistics footprint” through total life cycle system management.

Ron then went over the primary focus areas of this new subcommittee. It was determined to begin with “Understanding the Environment Factors” by trying to capture the influences that would impact a new model parts management process. Discussion led to the following list of influences:

- High level endorsement of parts management
- UID Policy
- Performance Based Logistics contracting
- Limited Resources (\$\$ and personnel)
- Quickly evolving technologies
- Mergers and acquisitions
- Laws and regulations
- Globalization
- Rapid deployments and forced transformation
- IT environment
- Political considerations
- Part PM history

The next focus area, “Develop Objectives”, was prioritized to reflect the following:

1. Bench-marking of current world-class Parts Management (PM) processes
2. Develop / review tools to facilitate PM processes
3. Relate Supply Chain Management “friendly” parts to PM processes
4. Develop contract wording for PM
5. Recommend to DSPO/OSD what PM processes should be
6. Develop a guide or documentation for new PM processes

Following are PMT Subcommittee **action items**:

- Bob Yorke to look at FAR, including 4140-7.R, and develop strawman for possible insertion.
- Ron Froman to identify companies for benchmarking for next general meeting

Presentation:

“Program Manager’s Tool” (Defense Standardization Program Office)

Donna McMurry has **action item** to provide additional info/answers to the following questions:

1. Who will have access to the PMT tool (anyone in industry or .mil only)

2. Who will have access to shopping wizard accounts?
3. Should HDBK-512 or SD-19 be included in Joint Material Standards Roadmap (JMSR)?

Parts Management Education/Documentation Subcommittee Minutes

(Kelvin DeWinter, Chairman)

Kelvin gave an overview of the group's current goals and projects. The intent is to develop three separate power point presentations – tools that can be used to promote the benefits of parts management. Upon completion, they will be posted on the PSMC website for members to use as needed. He reviewed the first presentation, which the subcommittee has been developing. It is intended to “sell” parts management to high-level program managers/company executives. When that is complete, a second presentation will be developed for lower level management followed by a third presentation for the working level.

Kelvin's review of the top-level presentation provided the group an opportunity to provide any last comments/input. Group discussion and consensus led to some editorial revisions, which Kelvin has the **action** to incorporate.

There is still an **open action** to get/show some viable cost avoidance data, which sells parts management. Bob Nelson suggested putting the figures into chart format, versus showing numbers that could be misleading to someone who does not fully understand the background of parts management. Mike Jones has an **action item** to research old presentations (D. Beechey) that may be useful. Dan McLeod has the **action item** to talk to Jaimie Hoops to get cost avoidance figures for the AEGIS program. Tom Rowley will also see if he can get any data. A follow-on teleconference is scheduled for December 1st, to complete that task. (Attendees to include Kelvin, Dan & Ron)

Kelvin will present the final top-level presentation at the Spring 2004 PSMC Conference.

Presentations:

“DoD EMALL” and “Electronic Commerce Code Management Association” (Defense Logistics Information System)

PEMS / COTS Subcommittee Minutes

(Mike Jones, Chairman)

Mike Jones provided information on the VIDs roadmap. It was suggested at the last meeting that roadmaps be provided by DSCC for VID parts. At this time there are no plans to provide these roadmaps through DSCC, however, the roadmaps are available at the manufacturers websites.

Currently TI is the supplier on the majority of the VIDs. National Semiconductor is a source on a few new ones and DSCC will be releasing more VIDs covering National product shortly.

There is also at least one more manufacturer that is developing their program. At this time all VIDs are sole source and for the most part this will always be true.

VIDs provide some benefits but do not have any standard quality and reliability requirements. The requirements of individual VIDs must be examined to ensure that the parts will meet system requirements. VIDs do provide a guaranteed source of supply for a particular time period, however that period will be different depending on the VID.

The use of pure tin will be discussed at a future meeting.

Bob Yorke provided information regarding PEM/COTS lessons learned. According to a Crane report from a study of 64 lots of PEMs the following was established:

- Reliability is lot dependent, parts should be sampled from each lot and screened under a test plan
- Maintaining multiple component sources is advisable
- Some form of screening on these devices is absolutely needed

Bob has the **action item** to email the above report to Mike Jones for inclusion on the PSMC website.

Discussion on SSB-1 G-12 document, Guidelines for Use of PEMS in military aerospace and other rugged applications. This document is a guide for users of PEMs/COTs. It discusses the risks associated with their use, especially if they are used unintelligently. The document describes a method for determining the system requirements and then determining if the part requirements will meet or exceed them. This appears to be a logical approach, however it does not appear that the document is being used universally.

Action item to discuss Joe Chapman's AQEC status

General Session Wrap-Up

The following participants agreed to act as Vice-Subcommittee Chairman:

- DMSMS - Alice Luh
- Charter - Sam Merritt
- PMT - Mike Jones
- Education/Documentation – Dan McLeod
- Marketing – Lee Gray
- PEMS / COTS -Lee Mathiesen
- MPCASS – Sam Merritt

The Subcommittee Chairs and vice chairs should communicate with one another to provide continuity during either's absence from a meeting. Also, need to identify how much time each subcommittee needs for their agenda.

A suggestion was made that subcommittee order be revised to put straightforward committees first (i.e., Marketing, or PEMS if no significant issues) and the ones with more activity/longer issues (i.e., PMT) last.

Despite the disastrous southern California wild fires, which caused travel delays and unhealthy air quality during the conference timeframe, we had thirty-three attendees representing the following organizations: AF Logistics Information Support Office Battle Creek; AMCOM Redstone Arsenal; Boeing- St. Louis; Defense Logistics Information Services (DLIS); Defense Standardization Program Office (DSPO); Defense Supply Center (Columbus, Richmond, & Philadelphia); EDO; GIDEP NWSC Corona; Honeywell; IHS; Karta Technologies; Lansdale Semiconductor; Lockheed Martin; NAVAIR Lakehurst; NAVICP-Phil; NAVSEA Crane; Robins AFB -WR-ALC/LUN; SPAWAR; SRA International; White Sands Missile Range. Members may request a complete attendance roster from the PSMC.